

## Message Text

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ACTION ARA-10

INFO OCT-01 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00 DODE-00  
EB-07 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00  
NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 ITC-01  
TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01 /108 W  
-----232139Z 106521 /67

R 231130Z DEC 76  
FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC 8315  
USDOC WASHDC  
INFO USMISSION GENEVA

UNCLAS BUENOS AIRES 8285

PASS TREASURY AND EXIMBANK

E.O. 11652: N/A  
TAGS: EFIN, ETRD, AR  
SUBJ: LATEST CHANGES IN ARGENTINE IMPORT AND EXPORT REGIMES

REF: A) BA-7653; B) BA-7301

1. AS REPORTED IN REFTEL A, TOGETHER WITH THE UNIFICATION OF THE  
EXCHANGE RATES, THE GOA HAS ANNOUNCED SEVERAL MEASURES AIMED AT  
LIBERALIZING FOREIGN TRADE.

2. THE EXECUTIVE AUTHORITY ISSUED DECREE 3008 DATED NOV 24,  
1976, GRANTING ACROSS-THE-BOARD TARIFF SCHEDULED REDUCTIONS, WITH  
THE STATED PURPOSE OF SPURRING COMPETITION AND PROMOTING  
EFFICIENCY IN LOCAL INDUSTRY. IN MANY CASES, SUCH AS LUXURIES  
AND CONSUMER GOODS, AD VALOREM IMPORT DUTIES HAVE BEEN HALVED FROM  
200 TO 100 PERCENT, WITH EVEN GREATER REDUCTIONS FROM 200 TO 95  
OR 65 PERCENT ON A FEW ITEMS. GENERALLY, IN THE CASE OF INDUSTRIAL  
GOODS, RATES HAVE BEEN REDUCED FROM ROUGHLY 90 TO 80 OR 70 PERCENT  
AND FROM 60 TO 45 PERCENT. THIS MEASURE, PARTICULARLY IN THE  
HIGH TARIFF PRODUCT GROUP E.G. 200 PERCENT RATE, HAS  
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GENERATED STRONG REACTION FROM LOCAL MANUFACTURERS OF LIKE  
PRODUCTS WHO HAVE URGED IMMEDIATE RESCISON OF ALL REDUCTIONS,  
CLAIMING IMMINENT INJURY TO LOCAL INDUSTRY, WHICH AT PRESENT  
IS SUFFERING EFFECT OF RECESSION. OBSERVERS HAVE COMMENTED THAT  
IN VIEW OF HIGH TARIFF WHICH REMAIN LOCAL INDUSTRY STILL ENJOYS  
ADEQUATE PROTECTION FROM FOREIGN COMPETITION AND THAT ON MANY

ITEMS DUTIES CONTINUE TO BE COMPUTED USING OFFICIAL PRICES (PRECIO INDICE) WHICH IN MANY CASES ARE INFLATED (E.G. LIGHT BULBS, POTTERY AND ROLLER BEARINGS).

3. PERHPS, OF MORE IMPORTANCE TO LOCAL IMPORTERS ARE MEASURES ANNOUNCED BY CENTRAL BANCK, WHICH, IN MANY CASES, OFFSET INCREASES IN IMPORT COSTS RESULTING FROM THE UNIFICATION OF PREVIOUS MULTIPLE EXCHANGE RATES. CENTRAL BANK CIRCULAR RC 664 DATED NOV 19, 1976 VOIDED BEGINNING NOV 22 THOSE PROVISIONS CONCERNING 180 DAY/PRIOR IMPORT DEPOSIT OF 40 PERCENT OF FOB VALUE AS CONTAINED IN RC 371 DATED JANUARY 31, 1969, THEREBY ELIMINATING AN ONEROUS FINANCIAL BURDEN FOR IMPORTERS IN THE FACE ARGENTINA'S HIGH RATE OF INFLATION. THIS REQUIREMENT COVERED ABOUT HALF THE LINE TIMES ON GOA TARIFF SCHEDULE, REPRESENTING HALF OF THE DOLLAR VALUE OF ALL IMPORTS (NOTE: PREVIOUSLY, GOVERNMENT PURCHASES, AS WELL AS IMPORTS FROM LAFTA AND RAW MATERIALS, HAD BEEN EXEMPTED FROM THIS REQUIREMENT.

4. IN ADDITION, AS AN EXEMPTION TO THE 40 PERCENT LIMIT ON CASH PAYMENT AUTHORIZED BY CENTRAL BANK RC 660 UNDER THE GENERAL IMPORT REGIME (SEE PARA. 3 REFTEL B) CENTRAL BANK ANNOUNCED ON NOV 19 BY TEL. COMMUNIQUE 3714 THAT TRANSACTIONS UP TO \$2,000 MAY BE PAID ENTIRELY IN CASH (WE ARE INFORMED THAT TO CONTROL TRASACTIONS SPLITTING CARGO, MANIFESTS WILL BE CHECKED TO DETERMINE SIZE OF SHIPMENT).

5. FINALLY, CIRCULAR RC 668 DATED NOV 25 EXEMPTS CAPITAL GOODS IMPORTS NOT EXCEEDING \$10,000 FROM THE FINANCIAL REQUIREMENTS OF RC 641 STILL APPLICABLE TO CAPITAL GOODS, THEREBY UNCLASSIFIED

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ALLOWING PAYMENT UP TO 40 PERCENT AGAINST DELIVERY OF DOCUMENTS AS UNDER THE GENERAL IMPORT REGIME.

6. ON THE EXPORT SIDE, NOV 19 GOA ANNOUNCED A MODIFICATION OF EXPORT TAXES AND SUBSIDIES APPLICABLE TO NON-PROMOTED EXPORTS. THESE EXPORTS, WHICH BEFORE NOV 19, WERE TRANSACTED AT A MIXED RATE OF 85 PERCENT OFFICIAL RATE AND 85 PERCENT FREE MARKET RATE, WERE SHIFTED ON THAT DATE TO THE FREE MARKET RATE. AT THE SAME TIME EXPORT TAXES WERE INCREASED AND EXPORT SUBSIDIES DIMINISHED, THUS REDUCING BENEFIT OBTAINED BY EXPORTERS THROUGH A HIGHER RATE OF EXCHANGE AND IMPROVING TREASURY SITUATION. MINISTRY OF ECONOMY RESOLUTION 822 LISTS BY BTN NO. NEW TAXES AND SUBSIDIES FOR NON-PROMOTED EXPORTS, WHICH IN GENERAL WERE INCREASED OR DECREASED, RESPECTIVELY, 5 PERCENT AT EACH LEVEL. MEANWHILE PROMOTED EXPORTS IN LIST IA OF MINISTRY OF ECONOMY RESOLUTION 459 DATED JUL 28, 1976, ANNEXED TO CENTRAL BANK CIRCULAR RC 645 CONTINUE TO BE TRANSACTED ENTIRELY AT THE FREE MARKET RATE AND TO PAY TAXES AND RECEIVE SUBSIDIES AS SET FORTH

IN LIST IA OF RESOLUTION 459, WHICH IS STILL IN FORCE.

7. POST POUCHING TO DEPT ONE COPY OF DECREE 3008 LISTING  
NEW IMPORT DUTIES AND MINISTRY OF ECONOMY RESOLUTION 822  
LISTING NEW EXPORT TAXES AND SUBSIDIES FOR NON-PROMOTED EXPORTS.  
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## Message Attributes

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**Disposition Authority:** n/a  
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